GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

JUNE 11, 2002

USDA RELEASES GRAIN TRANSPORTATION OUTLOOK

The *Grain Transportation Prospects* (*Prospects*) responds to ideas and concerns stemming from the first National Agricultural Transportation Summit held in Kansas City, MO, in July 1998. At that event, the United States Department of Agriculture identified the need of constituents for reliable data and information on the current situation in the grain and transportation industries. *Prospects* focuses on the following grains: corn, sorghum, barley, oats, wheat, rye, and soybeans. It also focuses on grain prices/rates, stocks and storage capacity, and related transportation issues for ocean freight, barge, rail, and motor carriers.

The transportation prospect for June 2002 is that the downward trend in ocean freight rates is drawing to a close. As of mid-May, the Panamax freight market is signaling a recovery in ocean transportation rates and that the market is rebounding. Furthermore, ocean freight rates from the Pacific Northwest to Japan fluctuated by almost 30 percent between April 2001 and April 2002. The fluctuation was nearly half for the U.S. Gulf to Japan route.

Barge shippers indicate that relatively low freight rates and an early opening of the upper Mississippi River have created favorable conditions for continuous barge shipments of grain. For almost all of March and April, weekly volumes of barge shipments were above average and significantly higher, compared to the same time last year. St. Louis, MO, to New Orleans, LA, route rates for the first quarter of 2002 averaged 126 percent of tariff, slightly below the 5-year average.

In the rail industry, demand for rail transportation remains weak for both grain and commodities that compete for use of the rail system. U.S. Class I railroads, therefore, expect adequate rail capacity for grain until fall harvest. In addition, numerous covered hopper railcars are in storage as a result of increased railcar production during past merger-related rail service disruption and more recent decreases in railcar cycle times.

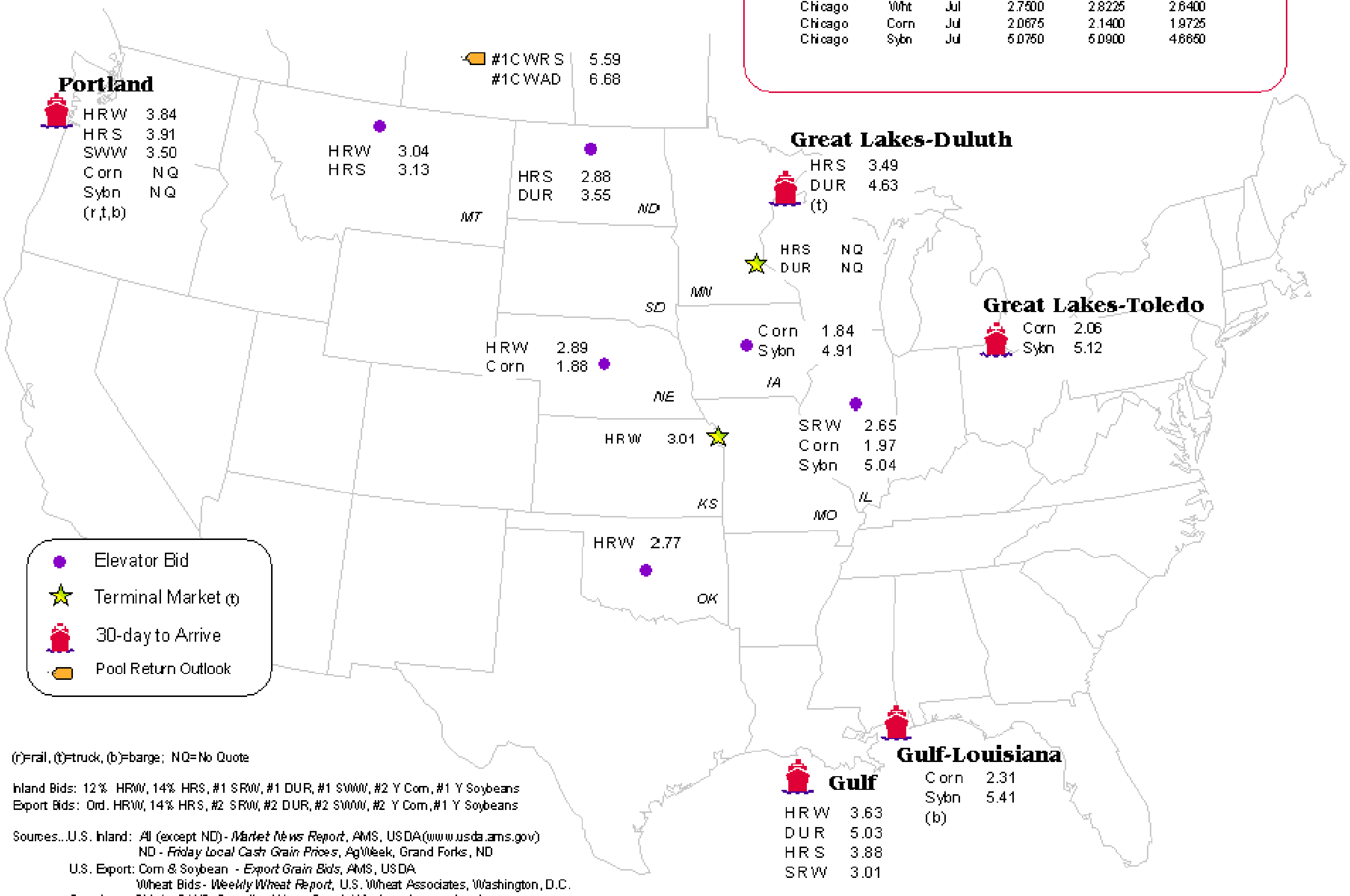
In the grain industry, the acres intended for wheat, corn, and soybeans are approximately 211 million acres, 79 million of which are intended for corn. A 12-million bushel increase in the beginning stocks, projected at 260 million bushels, is not enough to offset the 41-million bushel decrease in soybean production, projected at 2.85 billion bushels for 2002/03. With the spring wheat (excluding durum) planting intentions for 2002/03 at 15.1 million acres, intended acreage is up 8 percent in the Western Corn Belt but down in the Northern Plains by 5 percent. For total grain and soybeans, although intended plantings are projected down again this year at 15.2 billion bushels, 4 percent lower than last year, production is projected up by 3 percent.

If crops are large this year, the demand for transportation will increase as older grain and soybeans are moved out of storage to make room for the new crop. This information, included in the report *Grain Transportation Prospects*, is available on the Internet at www.ams.usda.gov/tmd/mta/index.htm. For more information, contact Karla Martin, telephone 202-690-1303, or e-mail Karla.Martin@usda.gov. The next issue of *Grain Transportation Prospects* will be published in September.

Report is prepared by Sigal Nissan, Economist, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to Sigal.Nissan@usda.gov

Grain Bid Summary

Futures:			06/07/2002	Week Ago 05/31/2002	Year Ago 06/08/2001
Kansas City	Wht	Jul	2.9800	2.9300	3.1750
Minneapolis	Wht	Jul	3.0075	3.0400	3.2600
Minneapolis	Dur	Dec	4.4000	4.5000	n.a.
Chicago	Wht	Jul	2.7500	2.8225	2.6400
Chicago	Corn	Jul	2.0675	2.1400	1.9725
Chicago	Sybn	Jul	5.0750	5.0900	4.6650

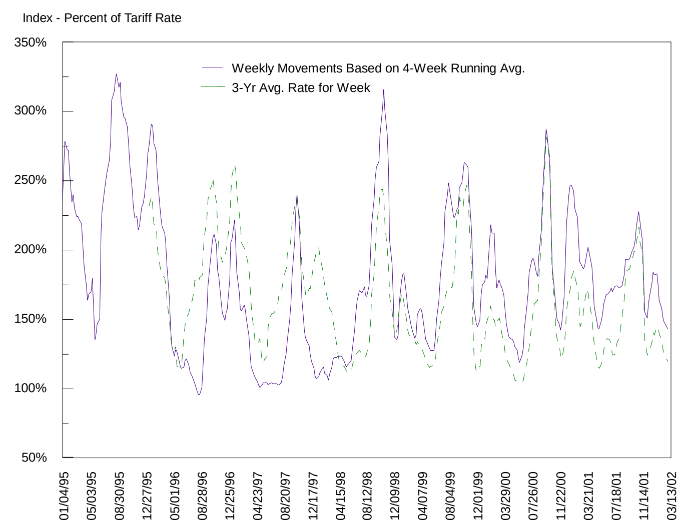


(r)=rail, (t)=truck, (b)=barge; NQ=No Quote

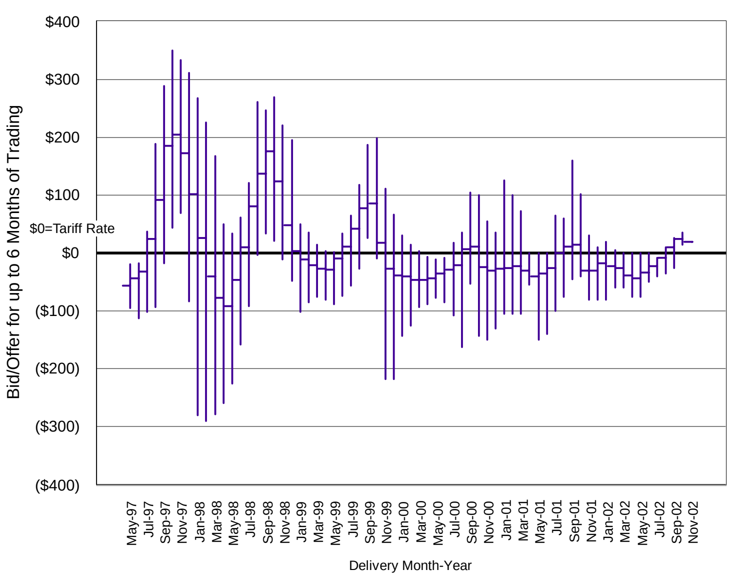
Inland Bids: 12% HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans
Export Bids: Ord. HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - *Market News Report*, AMS, USDA(www.usda.ams.gov)
ND - *Friday Local Cash Grain Prices*, AgWeek, Grand Forks, ND
U.S. Export: Corn & Soybean - *Export Grain Bids*, AMS, USDA
Wheat Bids - *Weekly Wheat Report*, U.S. Wheat Associates, Washington, D.C.
Canada: Bids in CAN$, Canadian Wheat Board, Winnipeg (www.cwb.ca)

Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings

Delivery for:	Jul-02		Aug-02	
	Offered	% Sold	Offered	% Sold
BNSF-COT	12,966	3%	12,966	17%
UP-GCAS	5,400	8%	5,400	0%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market

Average Premium/Discount to Tariff, $/Car - Last Week

	Delivery Period			
	Jun-02	Jul-02	Aug-02	Sep-02
BNSF-GF	$2	$(3)	$7	$25
UP-Pool	$(5)	$(10)	$7	$23

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.; GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, $/Car - Last Auction

Delivery for:	Jul-02	Aug-02	Sep-02
COT/N. Grain	no bid	no bid	$0
COT/S. Grain	no bid	no bid	$0
GCAS/Region 2	no bid	no offer	no offer
GCAS/Region 4	no bid	no offer	no offer

Source: T&M/AMS USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

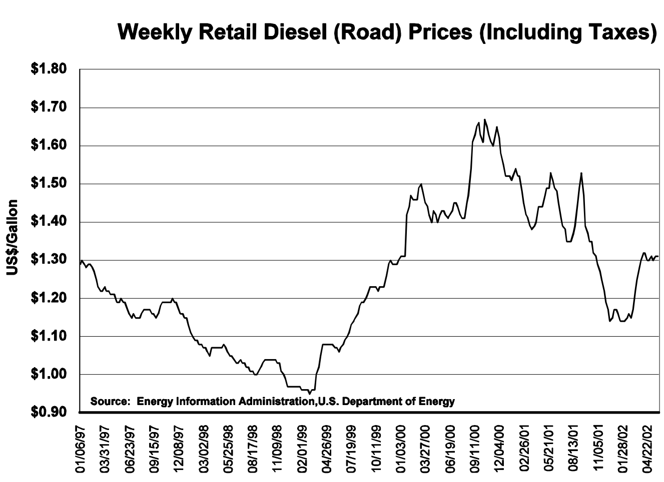
Week ended	River/Region	Contract Period	Rate Futures	Rate Cash
06/10/02	St. Louis	Jun	0	105
		Aug	0	148
		Oct	0	205
		Dec	0	135
		Feb	0	
	Illinois River	Jun	0	133
		Aug	0	160
		Oct	0	213
		Dec	0	163
		Feb	0	

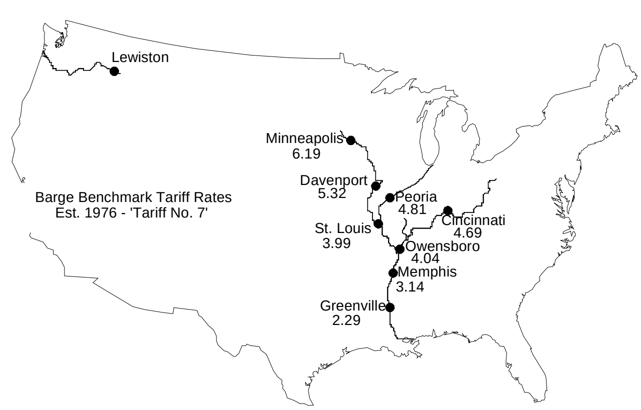
Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

	6/5/02	5/29/02	Jul '02	Sep '02
Twin Cities	170	164	183	235
Mid-Mississippi	140	139	155	171
Illinois River	131	131	122	198
St. Louis	95	99	117	189
Lower Ohio	102	101	129	157
Cairo-Memphis	94	99	113	177

Source: Transportation & Marketing /AMS/USDA
nq=no quote;



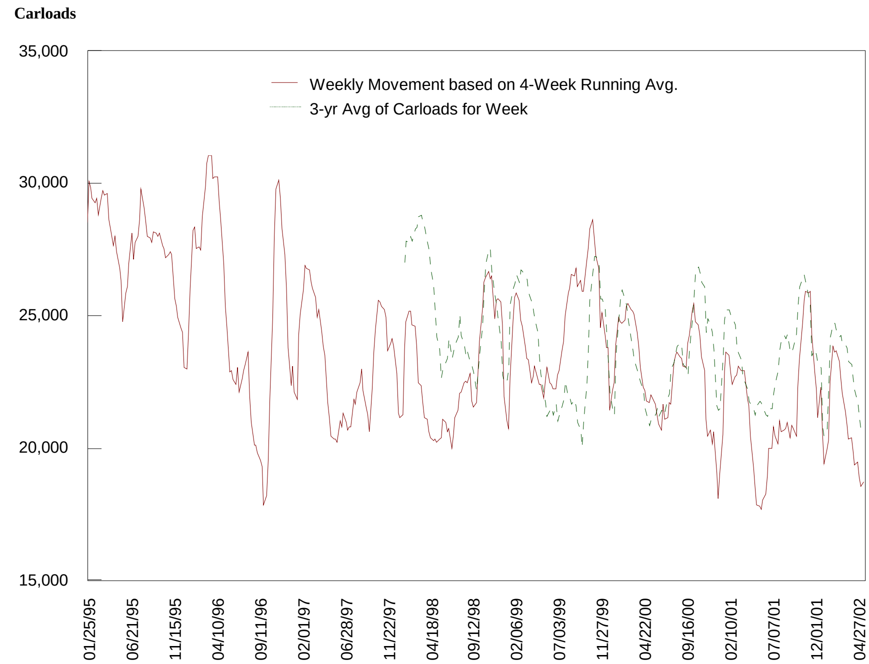


Class I Railroad Grain Car Loadings

Week Ending:	Carloads
5/18/02	18,919
05/25/02	19,430
06/01/02	16,826
Year to Date - 2002	455,281
Year to Date - 2001	466,344
Total 2001	1,117,601
Total 2000	1,188,917

Source: Association of American Railroads

Grain Car Loadings for Class I Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

	East		West			Canada	
	CSXT	**NS**	**BNSF**	**KCS**	**UP**	**CN**	**CP**
06/01/02	1806	2,849	6,163	419	5,589	4,450	3,641
This Week Last Year	2,651	3,076	5,786	446	5,640	5,529	3,589
2002 YTD	62,646	69,480	160,379	12,782	145,839	90,880	79,431
2001 YTD	68,109	68,389	175,755	9,934	144,157	106,957	98,144
2001 Total	151,864	163,018	428,603	26,330	347,156	254,982	232,461
2000 Total	147,708	153,905	425,849	26,515	364,785	160,749	239,670

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

March 2002

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
06/03/02	45560	Wheat	Minneapolis, MN	Houston, TX	$2,050	$22.60	$0.62
06/03/02	43521	Wheat	Minneapolis, MN	Portland, OR	$3,877	$42.74	$1.16
06/03/02	46540	Wheat	Kansas City, MO	Houston, TX	$1,650	$18.19	$0.50
06/03/02	43586	Wheat	Kansas City, MO	Portland, OR	$4,347	$47.92	$1.30
06/03/02	43581	Wheat	Omaha, NE	Portland, OR	$4,005	$44.15	$1.20
06/03/02	31040	Corn	Minneapolis, MN	Portland, OR	NA	$0.00	$0.00
06/03/02	31035	Corn	Kansas City, MO	Portland, OR	$2,700	$29.76	$0.76
06/03/02	31040	Corn	Omaha, NE	Portland, OR	NA	$0.00	$0.00
06/03/02	61180	Soybean	Minneapolis, MN	Portland, OR	NA	$0.00	$0.00
06/03/02	61180	Soybean	Omaha, NE	Portland, OR	NA	$0.00	$0.00
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	$2,780	$25.23	$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

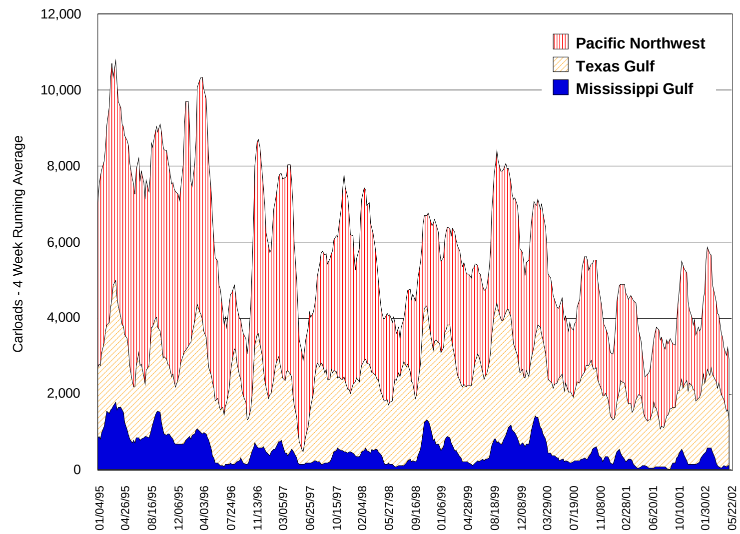
Rail Deliveries to Port
Carloads

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
04/24/02	252*	1,955	1,876	31
05/01/02	41*	1,513	1,276	557
05/08/02	45*	1,462	1,639	313
05/15/02	173*	1,227	1,903	316
05/22/02	152*	1,384	1,709	138
05/29/02	103*	1,452	1,742	406
YTD 2002	5,630*	38,849	43,894	10,685
YTD 2001	4,964	32,920	47,171	13,392
Total 2001	10,022	81,804	111,376	26,604
Total 2000	25,767	104,473	128,414	14,816

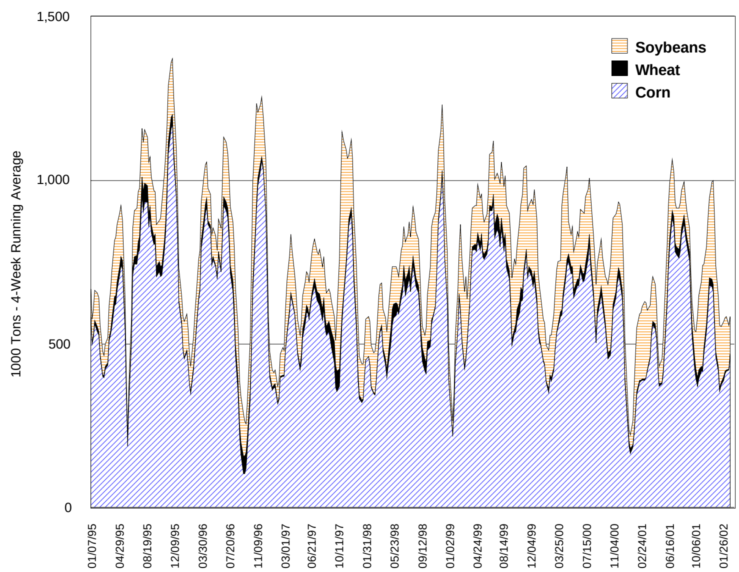
Source: Transportation & Marketing/AMS/USDA

(*) Incomplete Data
(**) Identical figures are correct

Rail Deliveries to Port



Barge Movements - Locks 27



Barge Grain Movements
for week ending 6/1/02

	Corn	Wht	Sybn	Total
		1,000 Tons		
Mississippi River				
Rock Island, IL (L15)	322	5	72	399
Winfield, MO (L25)	422	13	147	583
Alton, IL (L26)	728	14	100	844
Granite City, IL (L27)	807	22	203	1,032
Illinois River (L8)	332	2	47	380
Ohio (L52)	27	0	10	43
Arkansas (L1)	0	37	3	39
2002 YTD	14,239	942	4,495	20,446
2001 YTD	10,811	780	4,117	16,613
Total 2001	31,878	2,679	10,616	47,091
Total 2000	33,482	2,518	10,327	48,247

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers; L15 & L25 closed for winter.

U.S. Export Balances (1,000 Metric Tons)

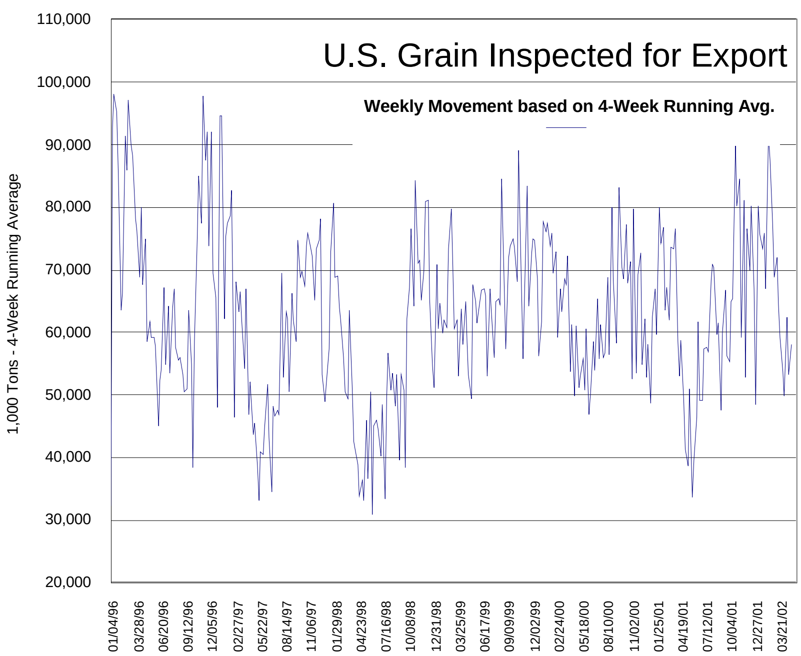
	Wheat						Corn	Soybean	Total
	HRW	*SRW*	*HRS*	*SWW*	*DUR*	*All*			
Unshipped Exports-Crop Year									
05/30/02	1,240	556	860	476	78	3,210	6,704	3,338	13,252
This Week Year Ago	354	140	364	138	144	1,140	6,653	1,947	9,740
Cumulative Exports-Crop Year									
01/02 YTD	8,704	5,485	5,554	3,127	1,133	24,003	34,825	25,633	84,461
00/01 YTD	9,314	4,445	5,775	5,156	1,130	25,819	33,688	17,713	77,220
99/00 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
98/99 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	Pacific Region			Mississippi Gulf			Texas Gulf		
	Wheat	*Corn*	*Soybean*	*Wheat*	*Corn*	*Soybean*	*Wheat*	*Corn*	*Soybean*
06/06/02	171	58	39	58	626	218	184	0	0
2002 YTD	3,440	1,896	1,162	2,416	15,711	8,273	2,502	116	787
2001 YTD	4,290	1,839	1,195	2,238	13,032	7,650	2,281	164	780
% of Last Year	35%	32%	68%	36%	45%	46%	36%	25%	78%
2000 Total	9,946	6,006	1,710	6,776	35,231	17,953	6,927	470	1,008

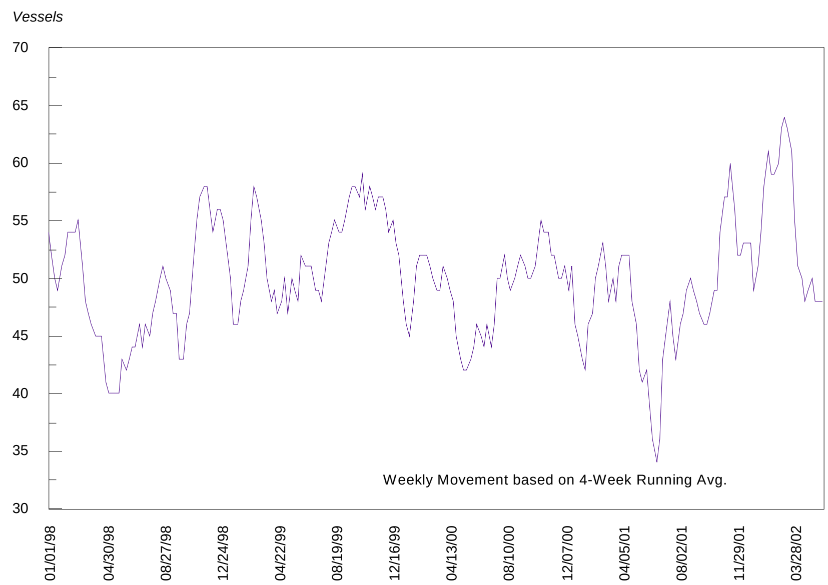
Source: Federal Grain Inspection Service YTD-Year-to-Date



Select Canadian Ports - Export Inspections
1,000 Metric Tons, Crop Year

	Wheat	Durum	Barley
Week Ended: 6/6/02			
Vancouver	5,321	342	465
Prince Rupert	1,078		
Prairie Direct	1,114	361	337
Thunder Bay	520	266	104
St. Lawrence	2,221	1,897	0
2001 YTD Exports	10,254	2,866	929
2000 YTD Exports	10,853	2,826	1,686
% of Last Year	94%	101%	55%

Source: Canadian Grains Commission, Crop year 8/1-7/31



Gulf Region Vessels Loaded - Past 7 Days-

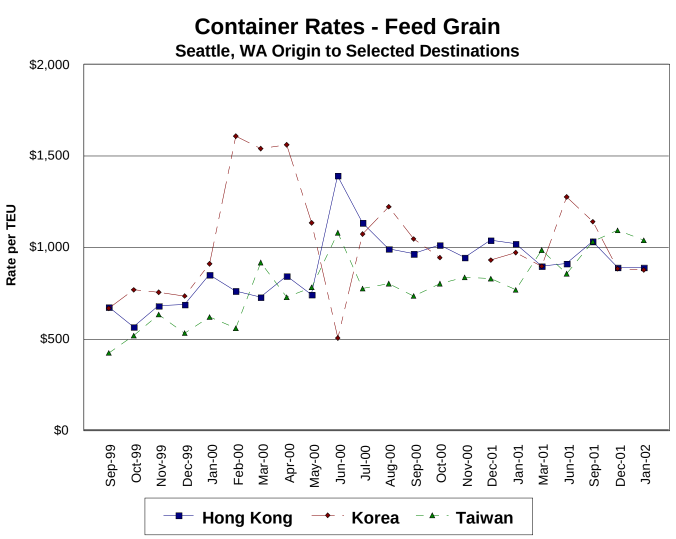
Port Region Ocean Grain Vessels

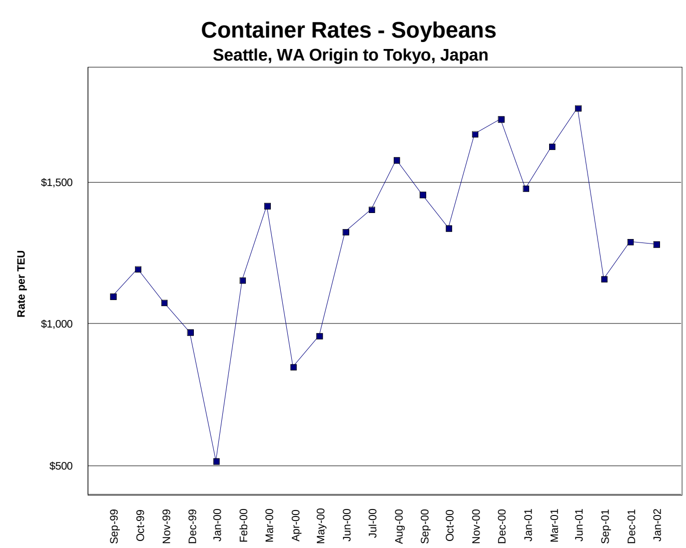
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
05/30/02	36	43	52	9			12	5	2
06/05/02	38	38	60	9			6	7	2
2001 Range	(13..65)	(28..64)	(46..81)	(1..18)			(4..20)	(3..14)	(0..7)
2000 Range	(23..50)	(34..57)	(47..83)	(4..15)			(4..20)	(5..19)	(0..9)
2001 Avg	36	48	63				12	8	3
2000 Avg	36	49	65				11	9	3
1999 Avg	32	52	65				10	9	3

Source: Transportation & Marketing /AMS/ USDA

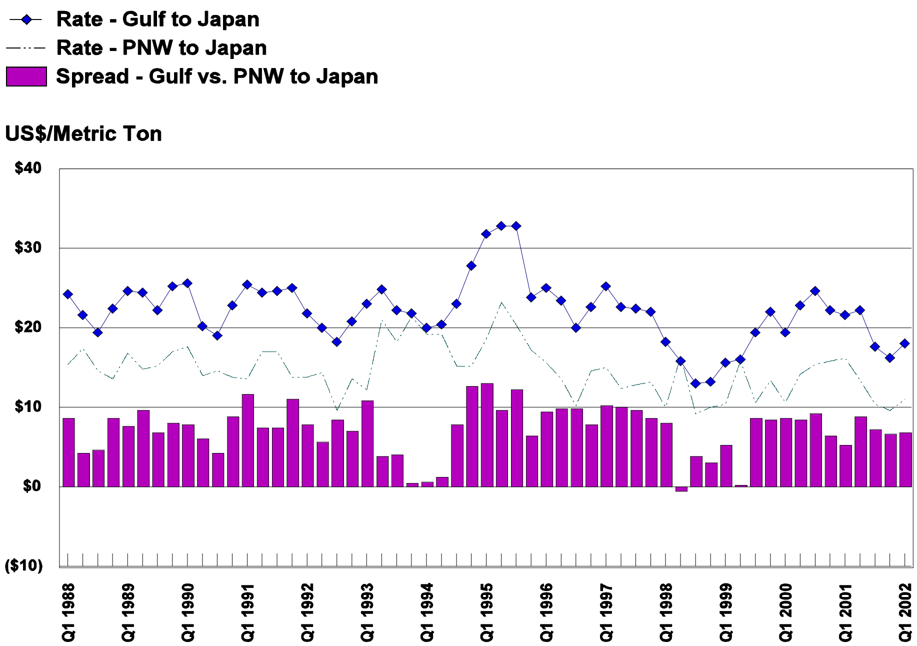
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share





Source: Transportation & Marketing/AMS/USDA



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2002 1st Qtr	2001 1st Qtr	% Change		2002 1st Qtr	2001 1st Qtr	% Change
Gulf to				**Pacific NW to**			
Japan	$18.10	$21.70	-16%	Japan	$11.13	$16.36	-31%
Mexico	$31.49		-				
Venezuela		$13.53	-				
N. Europe	$10.67	$15.19	-29%	**Argentina to**			
N. Africa	$17.58	$26.25	-33%	Med. Sea	$17.85	$22.14	-19%
Med. Sea	$10.97	$14.81	-25%	N. Europe	$13.48	$16.47	-18%
Black Sea	$49.12		-	Japan	$25.59	$30.51	-16%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 6/8/02

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate ($Ton)
Gulf	Egypt	Heavy Grain	Jun 10/20	55,000	$11.50
Gulf	Egypt	Heavy Grain	Jun 21/25	55,000	$10.75
Gulf	Mozambique	Grains Bagged	Jul 20/25	8,690	$117.60
Gulf	India	Grains Bagged	Jul 20/30	3,620	$25.00
Gulf	India	Grains Bagged	Jun 20/Jul 10	4,690	$258.00
Gulf	Japan	Heavy Grain	Jun 25/Jul 5	54,000	$19.25
N. Pacific	Taiwan	Grains	Jul 1/10	56,000	$10.25
N. Pacific	Taiwan	Heavy Grain	Jun 15/20	56,000	$10.50
River Plate	Spain	Grains	Jun 5/10	25,000	$18.50
River Plate	Ireland	Grains	Jun 10/20	30,000	$20.00

Source: Maritime Research Inc.; rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option